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**ORLEANS INDIGENT DEFENDER PROGRAM  
FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-13-05

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of the  
**Orleans Indigent Defender Program**  
New Orleans, Louisiana

We have audited the accompanying financial statements of the **Orleans Indigent Defender Program (OIDP)** as of and for the year ended December 31, 2004, as listed in the Table of Contents. These financial statements are the responsibility of **OIDP's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **OIDP** as of December 31, 2004, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of the  
**Orleans Indigent Defender Program**  
New Orleans, Louisiana  
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated June 13, 2005 on our consideration of **OIDP's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on page 3 to 8 and budgetary comparison on page 26 are not required as part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 13, 2005

**ORLEANS INDIGENT DEFENDER PROGRAM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Orleans Indigent Defender Program (OIDP)** management's discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of **OIDP's** financial activity, and identify changes in **OIDP's** financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments" and is intended to provide the financial results for the fiscal year ended December 31, 2004.

**MD&A**

Management's Discussion and Analysis

**Basic Financial Statements**

Government-Wide Financial Statements

Fund Financial Statements

Notes to the Financial Statements

**Other required Supplementary Information**

Required Supplementary Information

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: *Government-Wide Financial Statements* and *Fund Financial Statements*.

**Government-Wide Financial Statements**

The government-wide financial statements are new and provide a perspective of **OIDP** as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets, for the first time, combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various services.

**Fund Financial Statements**

The fund statements are similar to financial presentations of years past, but the new focus is on **OIDP's** major funds rather than fund types as in the past. The two account groups: General Fixed Assets and General Long-term Debt are no longer reported. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

The General Fund is the only fund of **OIDP**.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Financial Analysis of OIDP**

*Summary of Net Assets*

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Current assets	\$481,049	\$375,101
Capital assets, net book value	<u>4,825</u>	<u>4,863</u>
Total assets	<u>485,874</u>	<u>379,964</u>
<b>Liabilities</b>		
Current liabilities	<u>67,362</u>	<u>53,201</u>
Total liabilities	<u>67,362</u>	<u>53,201</u>
<b>Net Assets</b>		
Invested in capital assets	4,825	4,863
Unrestricted	<u>413,687</u>	<u>321,900</u>
Total net assets	<u>\$418,512</u>	<u>\$326,763</u>

As indicated by the statement above, total net assets are \$418,512. Net assets can be separated into two categories: invested in capital assets and unrestricted net assets.

Invested in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$61,620, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$56,795.

The remaining \$413,687 in net assets is unrestricted. The unrestricted net assets are an accumulation of prior years' operating results. This balance is directly affected each year by **OIDP's** operating results.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Results of Operations**

	<u>2004</u>	<u>2003</u>
<b>General Revenues</b>		
District assistance funds	\$ 431,595	\$ 472,481
Court costs on fines and forfeitures	1,531,770	1,471,851
Attorney fees	22,908	15,899
Bond funds	127,474	126,429
Probation assessments	156,900	129,266
Other income	<u>16,350</u>	<u>5,722</u>
Total general revenues	<u>2,286,997</u>	<u>2,221,648</u>
<b>Expenses</b>		
Salaries and related benefits	1,575,562	1,765,069
Operating services	<u>619,686</u>	<u>553,739</u>
Total expenses	<u>2,195,248</u>	<u>2,318,808</u>
Increase (decrease) in net assets	\$ <u>91,749</u>	\$ <u>(97,160)</u>

As indicated above, net assets increased by \$91,749. The prior year net assets balance of \$326,763 was increased by this increase.



**ORLEANS INDIGENT DEFENDER PROGRAM**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Capital Assets and Debt Administration**

**Capital Assets**

At December 31, 2004, **OIDP** has \$61,620 invested in furniture, fixtures and equipment.

<u>Assets</u>	<u>2004</u>	<u>2003</u>
Furniture, fixtures and equipment	\$ 61,620	\$ 58,170
Less accumulated depreciation	<u>(56,795)</u>	<u>(53,307)</u>
Net capital assets	<u>\$ 4,825</u>	<u>\$ 4,863</u>

Depreciation expense for the year is \$3,488.

**Economic Factors and Next Year's Budget**

The major factor affecting the budget is the revenue received from court costs on fines and forfeitures, which includes fees received from traffic, municipal, juvenile and criminal court. Additionally, **OIDP** receives a district allotment from the Louisiana Indigent Defender Board.

**Budgetary Highlights**

As required by state law, **OIDP** adopts the original budget for the office prior to the commencement of the fiscal year to which the budget applies. **OIDP** amended its original budget during the 2004 fiscal year. The difference between the original general fund expenditure budget and the final amended budget was \$55,727, or an increase of 2.6%. The increases to the budget were caused by the rehiring of two (2) attorneys that were terminated due to budget cuts in 2003.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Contacting OIDP Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of **OIDP's** finances and demonstrate **OIDP's** accountability for money it receives. If you have questions about this report or need additional information, contact Mr. Tilden H. Greenbaum, III, Director, at Room 112 Criminal Courts Building, New Orleans, Louisiana 70119.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2004**

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**ASSETS**

**Current Assets:**

Cash and cash equivalents (NOTE 2)	\$174,762
Court costs on fines and forfeitures receivable	<u>306,287</u>

Total current assets	481,049
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Capital assets, net (NOTE 3)	<u>4,825</u>
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Total assets	<u>485,874</u>
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**LIABILITIES**

**Current Liabilities:**

Accrued payroll	43,540
Accounts payable	13,599
Other payable	<u>10,223</u>

Total current liabilities	<u>67,362</u>
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**NET ASSETS**

Investment in capital assets	4,825
Unrestricted	<u>413,687</u>

Total net assets	<u><u>\$418,512</u></u>
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The accompanying notes are an integral part of these financial statements.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Expenses:**

Salaries and related benefits	\$1,575,562
Contractual services	459,753
Travel and education	2,940
Materials and supplies	7,320
Office expenditures	34,073
Audit and accounting	7,000
Insurance	48,909
Law books and pamphlets	22,930
Witness expense	31,384
Miscellaneous	1,889
Depreciation	<u>3,488</u>

Total expenses	<u>2,195,248</u>
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**General Revenues:**

District assistance funds (NOTE 6)	431,595
Court costs on fines and forfeitures	1,531,770
Attorney fees	22,908
Bond funds	127,474
Probation assessments	156,900
Interest income	34
Other income	<u>16,316</u>

Total general revenues	<u>2,286,997</u>
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Change in net assets	91,749
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Net assets, beginning of year	<u>326,763</u>
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Net assets, end of year	<u>\$ 418,512</u>
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The accompanying notes are an integral part of these financial statements.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**BALANCE SHEET-GOVERNMENTAL FUND-GENERAL FUND**  
**DECEMBER 31, 2004**

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**ASSETS**

Cash and cash equivalents (NOTE 2)	\$174,762
Court costs on fines and forfeitures receivable	<u>306,287</u>
Total assets	<u>\$481,049</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:

Accrued payroll	\$ 43,540
Accounts payable	13,599
Other payable	<u>10,223</u>

Total liabilities	<u>67,362</u>
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Fund Balance:

Undesignated	<u>413,687</u>
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Total fund balance	<u>413,687</u>
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Total liabilities and fund balance	<u>\$481,049</u>
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The accompanying notes are an integral part of these financial statements.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**RECONCILIATION OF THE BALANCE SHEET-**  
**GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2004**

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Total fund balance - Governmental Fund	\$413,687
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Amounts reported for governmental activities in  
the Statement of Net Assets are different because:

Capital assets used in governmental activities  
are not financial resources and therefore are  
not reported in the fund (NOTE 3):

The cost of capital assets	\$ 61,620	
Accumulated depreciation is	<u>(56,795)</u>	<u>4,825</u>

Net assets of governmental activities	<u><u>\$418,512</u></u>
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The accompanying notes are an integral part of these financial statements.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE--GOVERNMENTAL FUND-GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Revenues:**

District assistance funds (NOTE 6)	\$ 431,595
Court costs on fines and forfeitures	1,531,770
Attorney fees	22,908
Bond funds	127,474
Probation assessments	156,900
Interest income	34
Other income	<u>16,316</u>

Total revenues	<u>2,286,997</u>
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**Expenditures:**

Salaries and related benefits	1,575,562
Contractual services	459,753
Travel and education	2,940
Materials and supplies	7,320
Office expenditures	34,073
Audit and accounting	7,000
Insurance	48,909
Law books and pamphlets	22,930
Witness expense	31,384
Miscellaneous	1,889
Capital outlay	<u>3,450</u>

Total expenditures	<u>2,195,210</u>
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Change in fund balance	91,787
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Fund balance, beginning of year	<u>321,900</u>
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Fund balance, end of year	<u>\$ 413,687</u>
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The accompanying notes are an integral part of these financial statements.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE--GOVERNMENTAL FUND**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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Total change in fund balance--Governmental Fund	\$91,787
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Amounts reported for governmental activities in  
the Statement of Net Assets are different because:

The Governmental Fund reported capital outlays as  
expenditures whereas in the Statement of Activities  
these costs are depreciated over their estimated lives:

Capital assets purchased	3,450
Depreciation expense	<u>(3,488)</u>

Change in net assets of governmental activities	<u>\$91,749</u>
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The accompanying notes are an integral part of these financial statements.



**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - Background and Summary of Significant Accounting Policies:**

**Background**

The **Orleans Indigent Defender Program (OIDP)**, established in compliance with Louisiana Revised Statutes 15:144-149, provides counsel to represent indigents (needy individuals) in criminal and quasi-criminal cases at the District Court level. The judicial district encompasses the Parish of Orleans, Louisiana. The Board of Directors is composed of seven (7) members who are appointed by the District Court for life. Board members serve without compensation. Revenues to finance **OIDP's** operations are provided primarily from court costs on fines imposed by the various courts within the district.

**Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying financial statements of **OIDP** have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. Implementation of GASB Statements**

**OIDP** follows the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis-For State and Local Governments, as amended by GASB Statements No. 37 and No. 38, and applied those standards on a retroactive basis. GASB Statement No. 34 established standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset categories.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Background and Summary of Significant Accounting Policies, Continued:

B. Implementation of GASB Statements, Continued

Invested in Capital Assets - consists of capital assets, net of accumulated depreciation.

Restricted Net Assets - result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. At December 31, 2004, **OIDP** had no restricted net assets.

Unrestricted Net Assets - consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Background and Summary of Significant Accounting Policies, Continued:**

**C. Reporting Entity**

For financial reporting purposes, in conformance with GASB Codification Section 2100, **OIDP** is a part of the District Court System of the State of Louisiana. However, **OIDP** operates autonomously from the State of Louisiana and independently from the District Court System. Therefore, **OIDP** reports as an independent reporting entity and the financial statements include only the transactions of **OIDP**.

**D. Fund Accounting**

**OIDP** uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

The fund of **OIDP** is classified as a governmental fund (General Fund), which accounts for **OIDP's** general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Background and Summary of Significant Accounting Policies, Continued:

E. Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of **OIDP**.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and change in fund balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the governmental-wide statements and the statements for governmental funds are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Background and Summary of Significant Accounting Policies, Continued:**

**E. Basis of Accounting/Measurement Focus, Continued**

**Fund Financial Statements (FFS), Continued**

FFS report detailed information about **OIDP**. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. At December 31, 2004, the general fund is the only major fund of **OIDP**.

The General Fund is maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. **OIDP** uses the following practices in recording revenues and expenditures.

**Revenues**

Court costs on fines and forfeitures are recorded in the month the amounts are collected by the appropriate courts. Interest income on time deposits is recorded when the time deposits have matured.

**Expenditures**

Expenditures are recognized in the accounting period in which the liability is incurred.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Background and Summary of Significant Accounting Policies, Continued:**

**F. Budgetary Data**

The **OIDP** utilizes the following budget practices:

- o In the last quarter of the year, a budget for the following year is prepared and submitted to the Board of Directors for approval. The budget may be amended during the year, if requested, with the approval of the Board of Directors.
- o The budget records are maintained in the accounting department with all other public records of this program and can be reviewed by making arrangements with the Director.
- o The budget is normally presented for approval at the last board meeting of the year and anyone can attend the budget hearing if they so desire.
- o The budget is based on prior year experience as to receipts and disbursements and takes into consideration increases in costs of services and supplies, taxes, insurance and equipment, as well as the increased costs of salaries and fringe benefits when raises and/or new positions are authorized. The budget as a whole is based on the amount of money that is available and the disbursements that are necessary to maintain the efficient operation of this program.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Background and Summary of Significant Accounting Policies, Continued:**

**Summary of Significant Accounting Policies, Continued**

**F. Budgetary Data, Continued**

- o Quarterly financial reports are submitted to the Board of Directors, which in part list the amount of the budget that has been used for that period and indicates a favorable or unfavorable difference as to the budget amount attributed to the period of time being reported.
- o All budgetary appropriations lapse at the end of the fiscal year and **OIDP** does not use a system of encumbrance accounting.
- o The budget for general fund expenditures is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

**G. Cash and Cash Equivalents**

Cash includes amounts in demand deposits and interest-bearing time deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less. Under state law, **OIDP** may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**H. Capital Assets**

Capital assets are valued at historical cost (at the time purchased), or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value on the date received.

Depreciation has been provided over estimated useful lives of the assets using the straight-line method. The estimated useful lives of furniture, fixtures and equipment are 5 years.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Background and Summary of Significant Accounting Policies, Continued:**

**Summary of Significant Accounting Policies, Continued**

**I. Compensated Absences**

All employees earn one and one-half (1 ½) days of vacation leave each month. Vacation leave can be accumulated up to a maximum of thirty (30) days. Sick leave is earned at the rate of two (2) days each month. Sick leave can be accumulated without limitation. Upon termination, all unused vacation and sick leave lapse. At December 31, 2004, there are no accumulated and vested benefits relating to vacation or sick leave that require disclosure or accrual to conform with accounting principles generally accepted in the United States of America.

**J. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - Cash and Cash Equivalents:**

**OIDP** had cash and cash equivalents totaling \$174,762 (book balances) at December 31, 2004, as follows:

Demand deposits	\$157,701
Time deposits	<u>17,061</u>
Total	<u><u>\$174,762</u></u>



**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 2 - Cash and Cash Equivalents, Continued:**

At December 31, 2004, **OIDP** has cash and cash equivalents (book balances) as follows:

Interest-bearing demand deposits	\$ 17,061
Non interest-bearing demand deposits	<u>157,701</u>
Total	<u>\$174,762</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2004, **OIDP** has \$208,274 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$867,723 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by **OIDP** that the fiscal agent has failed to pay deposited funds upon demand.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 3 - Capital Assets:**

Capital assets and depreciation activity as of and for the year ended December 31, 2004 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Assets</u>				
Furniture, fixtures and equipment	\$ 58,170	\$ 3,450	\$-0-	\$ 61,620
<u>Accumulated Depreciation</u>				
Furniture, fixtures and equipment	(53,307)	(3,488)	-0-	(56,795)
Net capital assets	\$ <u>4,863</u>	\$ <u>(38)</u>	\$ <u>-0-</u>	\$ <u>4,825</u>

**NOTE 4 - Pension Plan:**

Substantially all of **OIDP's** employees participate in the federal social security program. **OIDP** is required to remit an amount to the Social Security Administration equal to the employee's contribution up to an established limit. **OIDP** does not guarantee any of the benefits granted by the Social Security Administration.

**NOTE 5 - Operating Lease:**

**OIDP** has an operating lease for office equipment. This lease ends December 31, 2005 and automatically renews annually.

Lease expense for the current year amounted to \$4,333.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 6 - District Assistance Fund Grant:**

During the 2004 fiscal year, **OIDP** was awarded and received grant funds from the Louisiana Indigent Defender Board's (LIDB) District Assistance Fund.

The District Assistance Fund is a grant-in-aid program intended to provide supplemental financial assistance in felony cases to district indigent defender boards that have a need for such supplemental funding and that are willing to comply with the standards, guidelines, and policies of the Louisiana Indigent Defender Board.

Funding under the program is being provided to assist qualified district boards in improving the quality of indigent defense on a continuous basis especially with respect to the following major goals:

- 1) To lower attorney caseloads to levels consistent with LIDB and national caseload standards;
- 2) To increase the pool of qualified attorneys certified under the LIDB's capital and appellate programs;
- 3) To provide more effective attorney unit support in the form of investigators, secretaries, and other forms of office support;
- 4) To improve criminal defense knowledge and skill through training, specialized continuing legal education, and better supervision; and
- 5) To defray expert witness/testing costs.

**NOTE 7 - Risk Management:**

**OIDP** is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets for which **OIDP** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

## **SUPPLEMENTARY INFORMATION**

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**BUDGETARY COMPARISON SCHEDULE-GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Original Budget</u>	<u>Budgeted as Amended</u>	<u>Actual</u>	<u>Variance from Amended Budget Positive (Negative)</u>
<b>Revenues:</b>				
Court costs on fines and forfeitures	\$1,495,000	\$1,516,000	\$1,531,770	\$ 15,770
Probation assessments	130,000	160,000	156,900	(3,100)
Attorney fees	25,000	30,000	22,908	(7,092)
Interest	50	30	34	4
District assistance funds	431,595	431,595	431,595	-0-
Bond funds	142,000	146,000	127,474	(18,526)
Other revenue	<u>-0-</u>	<u>-0-</u>	<u>16,316</u>	<u>16,316</u>
Total revenues	<u>2,223,645</u>	<u>2,283,625</u>	<u>2,286,997</u>	<u>3,372</u>
<b>Expenditures:</b>				
Salaries and related benefits:				
Salaries	1,353,440	1,320,000	1,321,147	(1,147)
Payroll taxes	101,630	96,600	96,491	109
Employee insurance	147,000	156,000	157,924	(1,924)
Travel and education	10,000	3,000	2,940	60
Materials and supplies:				
Office supplies	10,000	8,000	7,320	680
Office expenditures:				
Computer expense	2,000	1,000	1,099	(99)
Copy machine lease and maintenance	8,300	5,100	4,882	218
Telephone	15,000	15,000	14,732	268
Parking expense	<u>8,000</u>	<u>8,000</u>	<u>7,841</u>	<u>159</u>
Sub-total	<u>1,655,370</u>	<u>1,612,700</u>	<u>1,614,376</u>	<u>(1,676)</u>

(CONTINUED)

See Accompanying Independent Auditors' Report.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**BUDGETARY COMPARISON SCHEDULE-GENERAL FUND, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Original Budget</u>	<u>Budgeted as Amended</u>	<u>Actual</u>	<u>Variance from Amended Budget Positive (Negative)</u>
Expenditures, Continued:				
Office expenditures, Continued				
Bottled water	\$ 2,000	\$ 2,000	\$ 1,649	\$ 351
Beeper service	1,500	1,500	1,470	30
Storage space/rental	2,400	2,400	2,400	-0-
Contractual services	350,700	460,000	459,753	247
Audit and accounting	6,200	7,000	7,000	-0-
Insurance	71,500	51,297	48,909	2,388
Law books and pamphlets	20,000	20,000	22,930	(2,930)
Witness expense	20,000	30,000	31,384	(1,384)
Miscellaneous	1,500	1,500	1,889	(389)
Capital outlay	<u>5,000</u>	<u>3,500</u>	<u>3,450</u>	<u>50</u>
Total expenditures	<u>2,136,170</u>	<u>2,191,897</u>	<u>2,195,210</u>	<u>(3,313)</u>
Excess of revenues over expenditures	87,475	91,728	91,787	59
Fund balance at beginning of year	<u>321,900</u>	<u>321,900</u>	<u>321,900</u>	<u>-0-</u>
Fund balance at end of year	<u>\$ 409,375</u>	<u>\$ 413,628</u>	<u>\$ 413,687</u>	<u>\$ 59</u>

See Accompanying Independent Auditors' Report.



Member  
American Institute of  
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Paul K. Andoh, Sr., CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of the  
**Orleans Indigent Defender Program**  
New Orleans, Louisiana

We have audited the financial statements of the **Orleans Indigent Defender Program (OIDP)** as of and for the year ended December 31, 2004, and have issued our report thereon dated June 13, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether **OIDP's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  

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(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered **OIDP's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that we have reported to management of **OIDP**, in a separate letter dated June 13, 2005.

This report is intended solely for the use of the Board of Directors, its management and the State of Louisiana, Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 13, 2005



**ORLEANS INDIGENT DEFENDER PROGRAM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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We have audited the financial statements of **Orleans Indigent Defender Program** as of and for the year ended December 31, 2004, and have issued our report thereon dated June 13, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2004 resulted in an unqualified opinion.

**1. SUMMARY OF AUDITORS' RESULTS**

- A. Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements: **None Reported** Material weaknesses: **No**.
- B. Noncompliance which is material to the financial statements: **No**.
- C. Reportable conditions in internal control over major programs: **N/A** Material weaknesses: **N/A**.
- D. The type of report issued on compliance for major programs: **N/A**.
- E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: **N/A**.
- F. Major programs: **N/A**.
- G. Dollar threshold used to distinguish between Type A and Type B programs: **N/A**.
- H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: **N/A**.
- I. A management letter was issued: **Yes**.

**ORLEANS INDIGENT DEFENDER PROGRAM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**2. FINANCIAL STATEMENT FINDINGS**

No matters reported.

**3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not applicable.

**ORLEANS INDIGENT DEFENDER PROGRAM  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Section I - Internal Control and Compliance Material to the Financial Statements**

No findings reported.

**Section II - Internal Control and Compliance Material to Federal Awards**

Not applicable.

**Section III - Management Letter**

See the status of the prior year management letter comment we have reported in a separate letter dated June 13, 2005.